

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 525

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO THE FILM AND TELEVISION PRODUCTION BUSINESS REBATE FUND;  
AMENDING SECTION 67-4728, IDAHO CODE, TO CLARIFY THAT THE FILM AND  
TELEVISION PRODUCTION BUSINESS REBATE FUND MAY CONSIST OF GRANTS,  
FEDERAL MONEYS, DONATIONS OR FUNDS FROM ANY OTHER SOURCE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 67-4728, Idaho Code, be, and the same is hereby  
amended to read as follows:

67-4728. FILM AND TELEVISION PRODUCTION BUSINESS REBATE FUND. (1)  
There is hereby created in the state treasury the film and television  
production business rebate fund to which shall be credited all moneys that  
may be appropriated, apportioned, allocated, paid back to the fund, grants,  
federal moneys, donations, funds from any other source or otherwise provided  
by law. The purpose of the fund is to stimulate new film and television  
production business expenditures in the state of Idaho. Moneys in the fund  
shall be used exclusively as provided for in this section.

(2) As used in this section:

(a) "Applicant" means a taxpayer that is a film or television  
production business that is operating a qualified production and  
that:

(i) Owns the copyrights in a qualified production throughout the  
Idaho production period; or

(ii) Has contracted directly with the person acting on behalf of  
the copyright owner to provide services for the production where  
the copyright owner is not an eligible production company.

(b) "Base investment" means the investment made and expended by a  
certified production in Idaho as production expenditures incurred in  
Idaho that are directly used in a certified production or productions.

(c) "Certified production" means a qualified production selected by  
the department for a rebate from the fund.

(d) "Department" means the Idaho department of commerce.

(e) "Director" means the director of the Idaho department of commerce.

(f) "Fund" means the film and television production business rebate  
fund.

(g) "Production expenses" means those expenses eligible for a rebate  
from the fund and includes expenses for all production goods and  
services including wages and salaries, construction, operations,  
editing, photography, sound synchronization, lighting, makeup,  
wardrobe and accessories, rental facilities and equipment, leasing of  
vehicles, food and lodging, digital or tape editing, film processing,  
sound mixing, special and visual effects, and music, if performed,  
composed or recorded by a musician who is a resident of Idaho and

1 other reasonable in-state expenditures as defined in departmental  
2 rule. Production expenses do not include marketing and advertising  
3 costs, star salaries, producer and director salaries, script costs,  
4 any indirect costs, any amounts that are later reimbursed, any costs  
5 related to the transfer or rebates awarded under this section or any  
6 amounts that are paid to persons or entities as a result of their  
7 participation in profits from the production.

8 (h) "Qualified production" means a feature film, a television film,  
9 a commercial for a product or service, a documentary, a television  
10 pilot or each episode of a television series that spends a minimum of  
11 two hundred thousand dollars (\$200,000) on Idaho goods and services. A  
12 qualified production does not include a production featuring any of the  
13 following: news, current events, weather and market reports, public  
14 access television programming, infomercials, talk shows, game shows,  
15 sports shows or events, award shows or other gala events, a production  
16 that solicits funds, a production containing obscene material or a  
17 production primarily for private, political, industrial, corporate or  
18 institutional purposes.

19 (3) Moneys in the fund shall be invested by the state treasurer in the  
20 same manner as provided under section 67-1210, Idaho Code, with respect to  
21 other surplus or idle moneys in the state treasury. Interest earned on the  
22 investments shall be credited to the fund.

23 (4) Applicants may apply for a rebate from the fund by filling out  
24 an application and satisfying the department's criteria for a certified  
25 production prior to commencing work on the production. The rebate shall be  
26 calculated as a percentage of total base investment dollars certified by the  
27 department per project. The rebate shall be earned at the time expenditures  
28 are made by a film or television or commercial production business in a  
29 certified production.

30 (5) The director of the department may promulgate administrative  
31 rules in compliance with chapter 52, title 67, Idaho Code, to implement the  
32 provisions of this section.

33 (6) The following is required for all certified productions: Beginning  
34 on and after July 1, 2008, and ending June 30, 2010, certified productions  
35 shall ensure to the department that twenty percent (20%) of the crew working  
36 in Idaho on a certified production are Idaho residents as verified by a state  
37 certified driver's license or identification card. Beginning on and after  
38 July 1, 2010, and ending on June 30, 2011, certified productions shall ensure  
39 to the department that twenty-five percent (25%) of the crew working in  
40 Idaho on a certified production are Idaho residents as verified by a state  
41 certified driver's license or identification card. Beginning on and after  
42 July 1, 2011, and ending on June 30, 2012, certified productions shall ensure  
43 to the department that thirty percent (30%) of the crew working in Idaho on  
44 a certified production are Idaho residents as verified by a state certified  
45 driver's license or identification card. Beginning on and after July 1,  
46 2012, and ending on June 30, 2013, certified productions shall ensure to the  
47 department that thirty-five percent (35%) of the crew working in Idaho on a  
48 certified production are Idaho residents as verified by a state certified  
49 driver's license or identification card.

1       (7) The total amount of any rebate granted pursuant to this section may  
2 not exceed five hundred thousand dollars (\$500,000) nor twenty percent (20%)  
3 of a qualified production's expenses.

4       (8) Any rebate awarded from the fund shall be awarded pursuant to a  
5 written agreement between the applicant and the department.

6       (9) The department shall evaluate the economic impact of rebates  
7 awarded from the fund. The evaluation shall include an assessment of the  
8 effectiveness of the program in creating and retaining new jobs in Idaho and  
9 of the revenue impact of the fund, and may include a review of the practices  
10 and experiences of other states or nations with similar programs. Upon  
11 completion of this evaluation, the department shall determine the overall  
12 success of the fund and may make a recommendation to extend, modify or not  
13 extend the fund based on this evaluation. The department shall submit to  
14 the legislature during the 2014 regular legislative session a report that  
15 includes the following information:

16       (a) The economic impact of the rebate fund, including the number of  
17 jobs created and retained, including whether the job positions are  
18 entry level, management, talent related, vendor related or production  
19 related;

20       (b) The amount of film production spending brought to Idaho, including  
21 the amount of spending and type of Idaho vendors hired in connection  
22 with a certified production;

23       (c) Identification of each vendor that provided goods or services that  
24 were included in a certified production's Idaho spending; and

25       (d) The amount paid to each identified vendor by the certified  
26 production.